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1992/02/24

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Date Printed: 01/24/1997

DOC_NUMBER: 92GUANGZ00995

CHANNEL: n/a

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 ACTION EAP-01

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INFO	LOG-00	ACDA-15	AID-01	AMAD-01	CIAE-00	COME-00	C-01
	DODE-00	EB-01	HA-09	H-01	INRE-00	INR-01	IO-19
	LAB-04	L-03	ADS-00	M-01	NSAE-00	NSCE-00	OIC-02
	OMB-01	PA-01	PM-01	PRS-01	P-01	RP-10	SIL-01
	SNP-01	SP-01	SR-01	SS-01	STR-20	TRSE-00	T-01
	USIE-00	FMP-01	/102W				

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P 240848Z FEB 92
 FM AMCONSUL GUANGZHOU
 TO SECSTATE WASHDC PRIORITY 4220
 AMEMBASSY BEIJING PRIORITY
 AMCONSUL HONG KONG PRIORITY

DEPARTMENT OF STATE
 RELEASE DECLASSIFY *(HPU Date: 3/19/97)*
 EXCISE DECLASSIFY *EO Citations*
 DENY *IN PART*

CONFIDENTIAL GUANGZHOU 00995 PA Exemptions *FOIA Exemptions* TS authority
() CLASSIFY as () S or () C Sec.
() DOWNGRADE TS to () S or () C

BEIJING AND HONG KONG ALSO FOR USIS

E.O. 12356: DECL:OADR
 TAGS: PHUM, ETRD, PREL, PGOV, OPRC, CH
 SUBJECT: (C) REUTERS REPORTER ASKS ABOUT CONGEN
 INVESTIGATION OF GUANGDONG PRISON EXPORTS TO
 U.S.

REFS: A) 91 GUANGZHOU 1143
 B) 91 HONG KONG 1622N

1. CONFIDENTIAL - ENTIRE TEXT.

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2. LYNNE ODONNELL, WHO IDENTIFIED HERSELF AS A
 REPORTER FOR REUTERS OUT OF HONG KONG, CALLED MONDAY
 AFTERNOON (FEBRUARY 24) TO ASK ABOUT A "COVERUP" OF AN
 INVESTIGATION BY CONGEN GUANGZHOU CONCERNING SHOES MADE
 IN THE "FLOWER CITY" (HUACHENG) PRISON FOR EXPORT TO
 THE U.S. SHE SAID, ACCORDING TO HER INFORMATION (SHE
 DECLINED TO PROVIDE HER SOURCE), "TWO CONSULATE
 OFFICERS" IN JANUARY 1991 HAD GAINED "ACCESS TO
 UNAUTHORIZED AREAS" OF HUACHENG PRISON, WHERE THE SHOES
 WERE BEING MADE. SHE ALSO SAID THE HONG KONG EXPORT
 FIRM "MABEL" OR "EDDIE L/U," WHICH HAD CONTRACTED FOR
 THE SHOES AND PLANNED TO EXPORT OR WAS EXPORTING THE
 SHOES TO THE U.S. IN VIOLATION OF U.S. LAW, HAD MOVED
 PRODUCTION "OUTSIDE OF THE PRISON TO ANOTHER LOCATION"
 AFTER BEING FORMALLY CONTACTED BY THE CONSULATE.

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3. ODONNELL ALSO SAID REPORTS FROM THE CONSULATE ABOUT THIS PRISON AND ITS MADE FOR EXPORT TO THE U.S. SHOES HAD BEEN KEPT FROM U.S. CUSTOMS, WHICH HAS THE RESPONSIBILITY OF ENFORCING THE U.S. LAW. SHE ASKED IF THE CONSULATE WAS AWARE OF THIS AND IF IT HAD COMMUNICATED (OR FAILED TO COMMUNICATE) ANY INFORMATION ON THIS ISSUE TO U.S. CUSTOMS. ODONNELL ALSO ASKED ABOUT THE STATE OF NEGOTIATIONS ON A PRISON LABOR MOU BETWEEN THE U.S. AND CHINA.

4. WE DECLINED TO COMMENT ON THE STORY EXCEPT TO MAKE CLEAR, OFF THE RECORD AND "NOT FOR ATTRIBUTION," NO CONSULATE PERSONNEL HAD EVER GAINED "ACCESS TO UNAUTHORIZED AREAS" OF ANY PRISON IN OUR CONSULAR DISTRICT. WE SUGGESTED QUESTIONS ABOUT THE EXPORT OF
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CHINESE PRISON LABOR PRODUCTS TO THE U.S. BE ADDRESSED TO EMBASSY BEIJING, THE DEPARTMENT OF STATE IN WASHINGTON, OR U.S. CUSTOMS EITHER IN HONG KONG OR WASHINGTON. WE DID PROVIDE A GENERAL BRIEFING (AGAIN, OFF THE RECORD) ON PRISON LABOR PRODUCTION IN GUANGDONG PROVINCE SAYING, IN SUMMARY, WE DOUBTED, BECAUSE OF QUALITY CONTROL FACTORS, VERY MANY PRISON MADE PRODUCTS IN GUANGDONG PROVINCE WERE EXPORTED TO THE U.S. OR ANYWHERE ELSE FOR THAT MATTER.

5. ODONNELL'S INFORMATION, WITH A FEW DISTORTIONS, WAS VERY SIMILAR TO THAT PROVIDED IN REFTELS. WE EXPECT SHE WILL BE CONTACTING, IF SHE HAS NOT ALREADY DONE SO, BEIJING AND HONG KONG.

HARTER

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